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Fig. 1

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[illegible]

**KDI Plan™ - Cash Flow Analysis**  
Patent Pending

Loan Analysis	
Interest Rate*	6.7500%
Insurance	
Mass Mutual	\$425,304
Phoenix Life	\$362,914
28x	
Annuit Deposit	\$12,793,431
Total Loan	\$13,581,649

Allocation of Net Insurance	
Net to Estate	\$3,718,739
KDI Allocation	2.5%
Net to KDI	\$92,968

Insurance Policy Information (Insurance Illustrations are Included)	
Mass Mutual	\$10,000,000
Phoenix Life	\$8,000,000
Total Coverage:	\$18,000,000

Annuity Cash Flow					
Year	Age	Annuity Payout	Interest Due	Ins Premium	Service Fee
1	73	\$ 1,854,987	\$ (870,262)	\$ (788,218)	\$ (91,687)
2	74	\$ 1,854,987	\$ (859,719)	\$ (624,430)	\$ (100,000)
3	75	\$ 1,854,987	\$ (847,893)	\$ (624,430)	\$ (100,000)
4	76	\$ 1,854,987	\$ (835,247)	\$ (624,430)	\$ (100,000)
5	77	\$ 1,854,987	\$ (821,726)	\$ (624,430)	\$ (100,000)
6	78	\$ 1,854,987	\$ (807,269)	\$ (624,430)	\$ (100,000)
7	79	\$ 1,854,987	\$ (791,811)	\$ (624,430)	\$ (100,000)
8	80	\$ 1,854,987	\$ (775,283)	\$ (624,430)	\$ (100,000)
9	81	\$ 1,854,987	\$ (757,611)	\$ (624,430)	\$ (100,000)
10	82	\$ 1,854,987	\$ (738,715)	\$ (624,430)	\$ (100,000)
11	83	\$ 1,854,987	\$ (718,511)	\$ (624,430)	\$ (100,000)
12	84	\$ 1,854,987	\$ (697,009)	\$ (624,430)	\$ (100,000)
13	85	\$ 1,854,987	\$ (674,114)	\$ (624,430)	\$ (100,000)
14	86	\$ 1,854,987	\$ (649,872)	\$ (624,430)	\$ (100,000)
15	87	\$ 1,854,987	\$ (624,430)	\$ (624,430)	\$ (100,000)
16	88	\$ 1,854,987	\$ (597,489)	\$ (624,430)	\$ (100,000)
17	89	\$ 1,854,987	\$ (567,756)	\$ (624,430)	\$ (100,000)
18	90	\$ 1,854,987	\$ (535,003)	\$ (624,430)	\$ (100,000)
19	91	\$ 1,854,987	\$ (500,000)	\$ (624,430)	\$ (100,000)
20	92	\$ 1,854,987	\$ (462,430)	\$ (624,430)	\$ (100,000)
21	93	\$ 1,854,987	\$ (422,430)	\$ (624,430)	\$ (100,000)

LP - Investment		
KDI Service Investment	Family Investment	
\$ 200,000	\$	\$

At Death Net		
Insurance	To Lender	Net Insurance
\$18,000,000	\$ (13,581,649)	\$ 4,418,351
\$18,000,000	\$ (14,281,261)	\$ 3,718,739
\$18,000,000	\$ (14,110,424)	\$ 3,889,576
\$18,000,000	\$ (13,927,760)	\$ 4,072,240
\$18,000,000	\$ (13,732,450)	\$ 4,267,550
\$18,000,000	\$ (13,523,619)	\$ 4,476,381
\$18,000,000	\$ (13,300,332)	\$ 4,699,668
\$18,000,000	\$ (13,061,586)	\$ 4,938,414
\$18,000,000	\$ (12,806,312)	\$ 5,193,688
\$18,000,000	\$ (12,533,366)	\$ 5,466,634
\$18,000,000	\$ (12,241,525)	\$ 5,758,475
\$18,000,000	\$ (11,929,479)	\$ 6,070,521
\$18,000,000	\$ (11,595,832)	\$ 6,404,168
\$18,000,000	\$ (11,239,068)	\$ 6,780,914
\$18,000,000	\$ (10,857,643)	\$ 7,142,357
\$18,000,000	\$ (10,449,793)	\$ 7,550,207
\$18,000,000	\$ (10,013,709)	\$ 7,986,291
\$18,000,000	\$ (9,547,434)	\$ 8,452,566
\$18,000,000	\$ (9,048,881)	\$ 8,951,119
\$18,000,000	\$ (8,515,813)	\$ 9,484,187
\$18,000,000	\$ (8,330,046)	\$ 9,669,954

Fig. 2

# Embodiment One

Where the annuity investment and the loan are internal to a Life Insurance Policy and the tax obligation is contained within the Insurance Policy

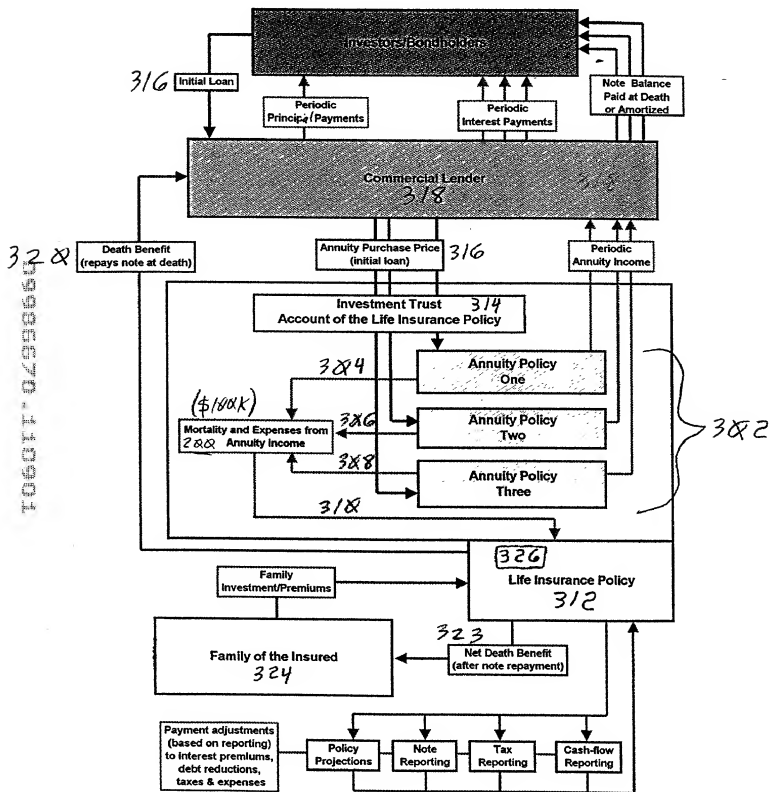


Fig. 3

## Embodiment TWO

Where the Investment Trust is a subsidiary of   a   Life Insurance Company  
and the tax obligation is passed to the insurer and/or an insurance policy

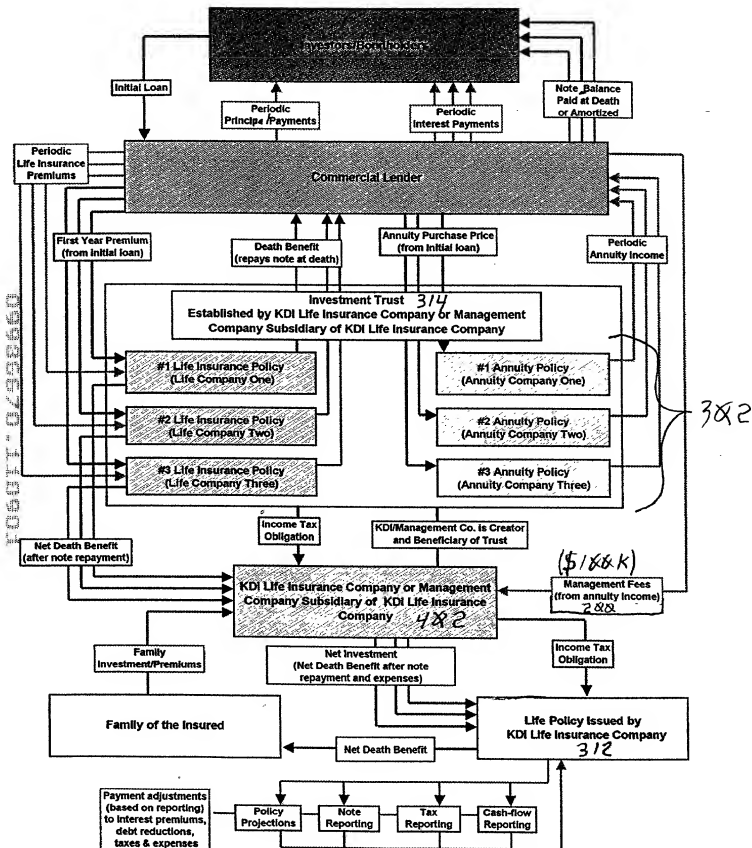


Fig. 4

*Embodiment Three*  
Where a business entity (i.e. a Partnership)  
passes the tax obligation to a tax favored taxpayer

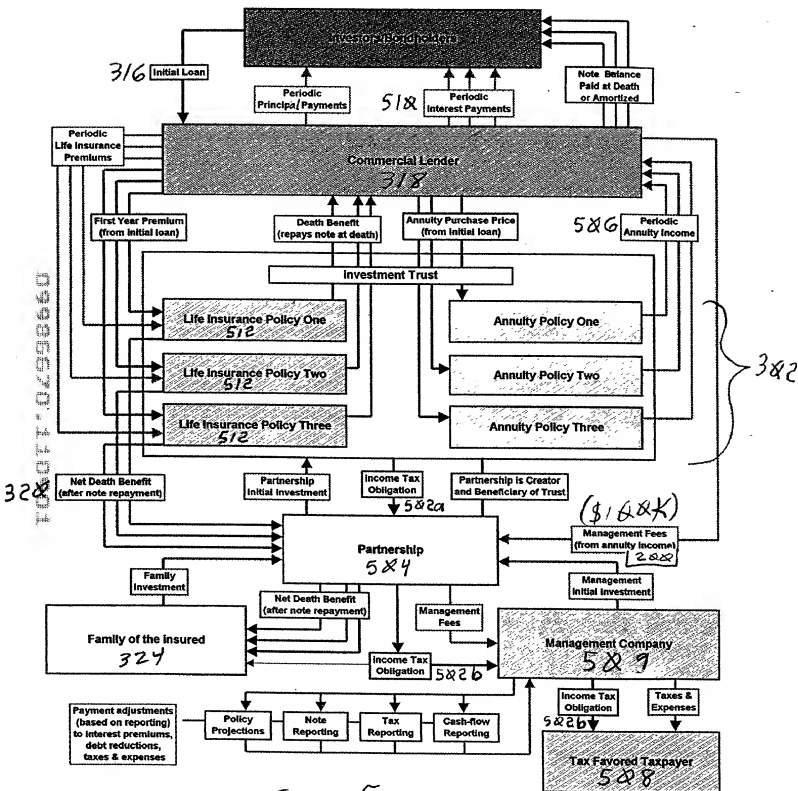


Fig. 5

**Where the investment Trust is a subsidiary of or a Tax Favored Company and the tax obligation is passed to the company and the benefit is paid as a dividend**

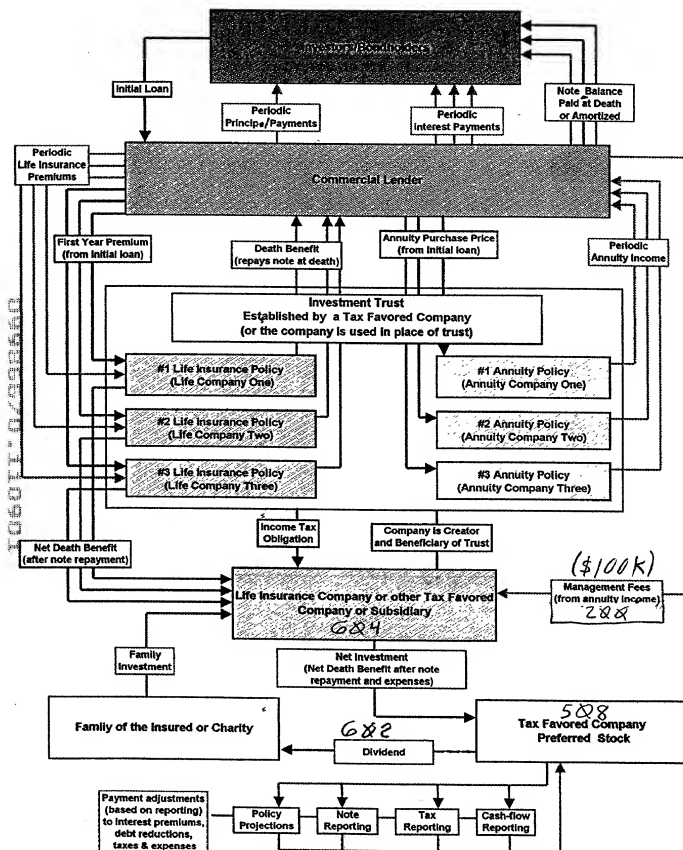
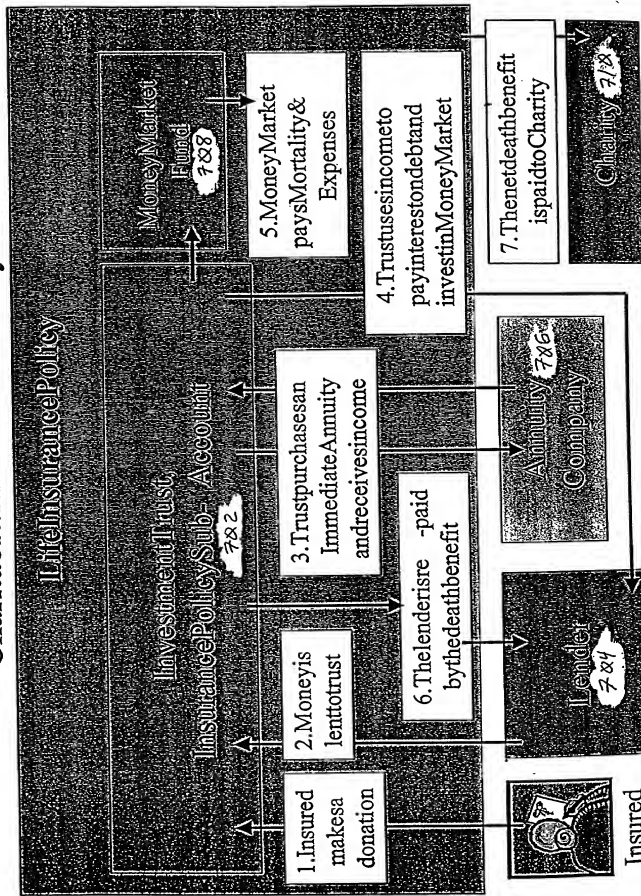


Fig. 6



## Charitable Endowment Policy





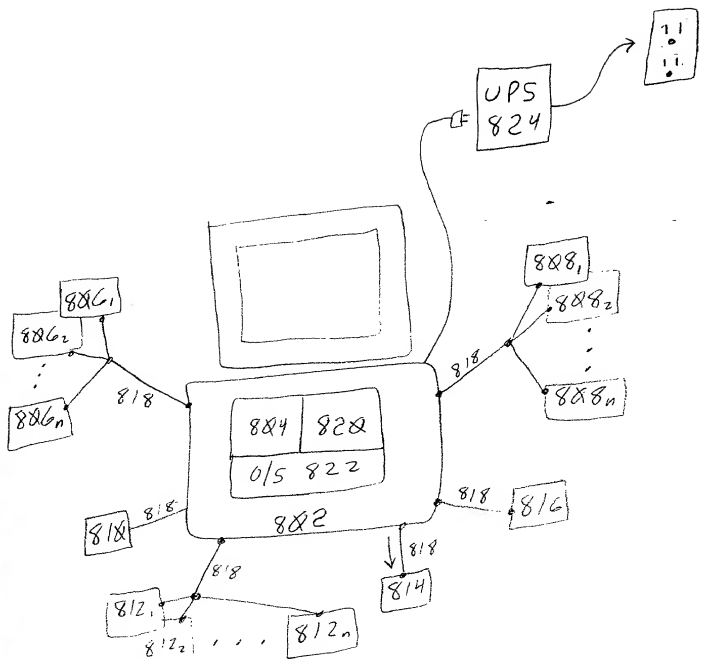


Fig. 9

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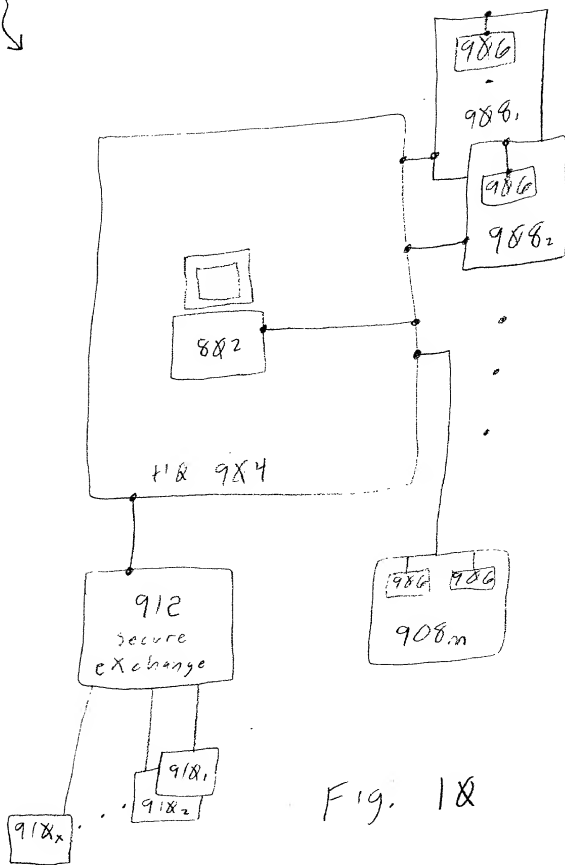


Fig. 18